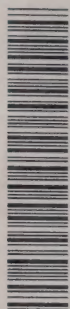


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MANUFACTURING OPPORTUNITIES

in Ontario, Canada



ONTARIO DEPARTMENT OF ECONOMICS AND DEVELOPMENT

Trade and Industry Branch



"Ontario boasts a master list of more than 2,000 companies seeking some kind of manufacturing alliance with foreign firms. Advantages of manufacturing in Ontario are many: we offer a labour rate 25 per cent lower than the United States, an 8 cent dollar advantage, skilled workers, an abundance of raw materials, low cost power, convenient transportation and excellent access to world markets".

HON. STANLEY J. RANDALL,
Minister of Economics and Development



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ONTARIO - INDUSTRIAL KEYSTONE

Ontario, responsible for half of Canada's industrial output, has an abundance of natural resources, some 13,000 primary and secondary production plants — and a population of more than 6½ million people.

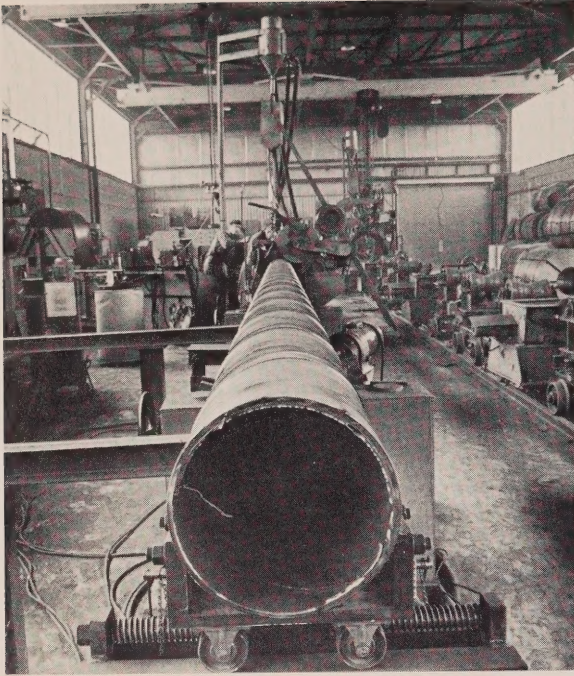
Influencing its economic prosperity are the nearby highly industrialized areas of the United States bordering the Great Lakes, offering a market of almost 80 million people.

The province's great inland ports, on the St. Lawrence Seaway System, handle cargoes from all parts of the world.

But while it is the hub of Canada's industrial strength — producing fully half of Canada's manufactures — Ontario has not yet reached its full production potential.

This means many firms have the capital, plant facilities, skills and other requirements to manufacture a large number of new products or component parts.

Ontario, then, is ideally situated and equipped to manufacture the products of companies of other countries interested in entering the Canadian market, or in expanding the sales they may already have in it.



A Toronto firm manufactures spiral welded pipe under a manufacturing arrangement.

THE MANUFACTURING ARRANGEMENTS DIVISION



The Trade and Industry Branch of the Ontario Department of Economics and Development, through its Manufacturing Arrangements Division, is able to assist manufacturers from other countries to enter into production arrangements with Ontario companies. A number of highly successful, profitable ventures have been launched in this way.

The Manufacturing Arrangements Division acts as a liaison agency between Ontario manufacturers and manufacturers in other countries or in other parts of Canada. The Division, with its engineers, consultants and research staff, is able to give interested firms information on market and facilities, and will put them in contact with Ontario firms capable of manufacturing their products.

More than 2,000 Ontario companies, representing a wide range of skills and manufacturing capacities, and who are interested in diversification and new products, are listed on the files of the Division.



As part of its service, the Division circulates to Ontario manufacturers a regular bulletin, "Manufacturing Opportunities for Ontario Industries". In this are listed brief product descriptions compiled from reports submitted to the Division's Toronto, Chicago, New York, London, Dusseldorf and Milan offices. More detailed information on any listing may be obtained from the Division's main office in Toronto, which serves as the clearing house between interested companies. Some examples from the Bulletin are listed below:

FOUNDRY MOULDING EQUIPMENT

ITEM NO. 744

A prominent U.S. manufacturer of foundry moulding equipment with sizeable Canadian sales is interested in a manufacturing arrangement with an Ontario firm to manufacture and sell their product in Canada. This company is proud of the high quality of their products and insists that they will only be interested in Ontario firms able to build to their rigid tolerances.

METALLIZED COATING PROCESS

ITEM NO. 745

A well known U.S. manufacturer has developed a process for coating ferrous and non-ferrous metals with a metallized teflon coating which is claimed to give a much more abrasion resistant coating with superior adhesive qualities. It is claimed that this process will give a superior non-stick surface to cooking utensils, etc. This process has been licensed for the U.S. and Mexico. The exclusive license for manufacture and sale in Canada is available.

SNOWMOBILE

ITEM NO. 824

A U.S. aircraft company is interested in making an arrangement with an Ontario manufacturer to make and distribute a two man snowmobile. This company claims that through its aircraft experience they are making the best built machine in the field.

Additional coverage of the foreign manufacturer's specific requirements is provided through municipal industrial commissions, banks, and by personal visits to Ontario manufacturers.

PERSONAL CONTACT



Ontario companies interested in acquiring new products are visited by Division officers who evaluate their manufacturing capacity.



An Ontario manufacturer of ornamental iron work co-operates with a German firm in the production of ramp leveller lifts.

When the Division is satisfied that the Ontario company shows a genuine interest, and has the necessary plant facilities available, contact is established between the parties concerned. Then plans are discussed, preparing the way for a mutually agreeable manufacturing arrangement.

Division officers also seek out Ontario companies, bringing to their attention specific products made outside Canada which might fit into their manufacturing operations.

BENEFITS FROM A MANUFACTURING ARRANGEMENT



Among the benefits that can accrue to non-Canadian manufacturers under a manufacturing arrangement are:

REDUCTION OF COSTS

With the devaluation of the Canadian dollar and imposition of import surcharges, foreign companies are finding it more expensive to export their products to Canada. When entering into a manufacturing arrangement with an established Ontario industry, however, such extras can be eliminated. Freight costs on finished goods also are eliminated, as are import duties on finished goods.

AVAILABLE MARKETING FACILITIES

Ontario companies know the Canadian market and most have excellent, nation-wide distribution facilities and sound marketing organizations. These would become available to the out-of-country manufacturer.

IMPROVED SERVICE

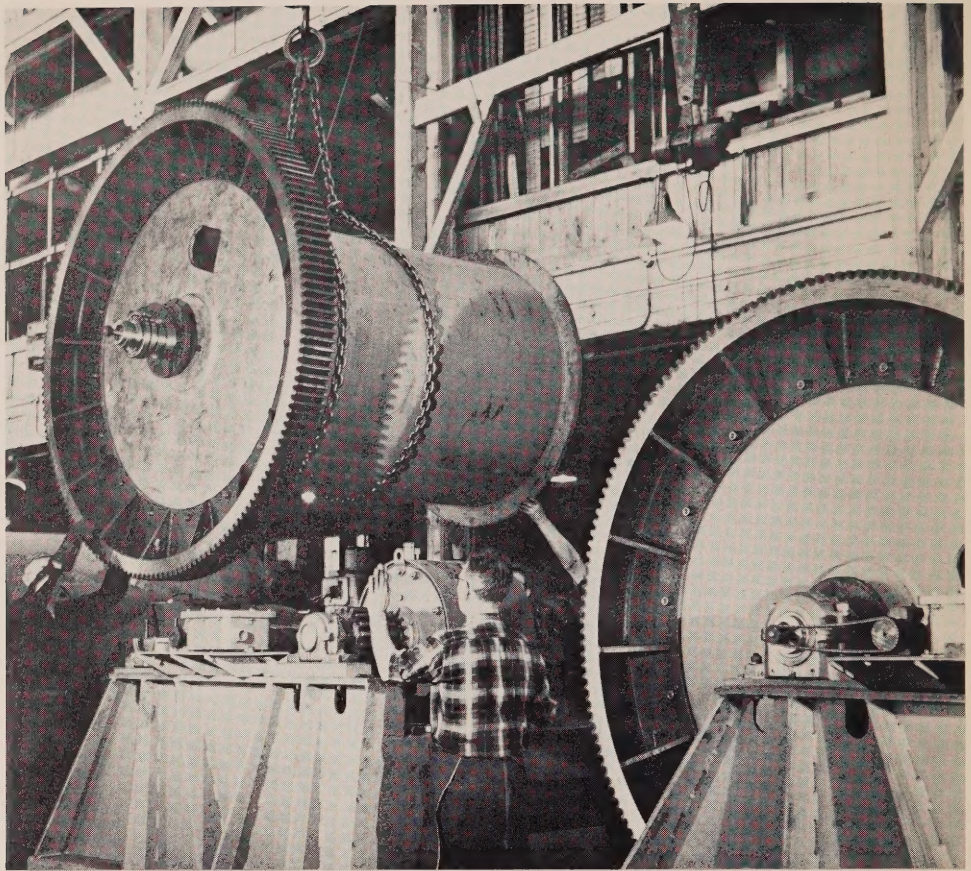
Delivery dates and service of the manufacturer's products are accelerated, resulting in wider acceptance of the products.

EARLIER RETURN ON INVESTMENT

With little expense, an arrangement with a capable and experienced Ontario manufacturer can be brought about and lead to an earlier return in profit to the non-Canadian company through royalties or licensing fees.

COMMONWEALTH PREFERENCE

By manufacturing goods under licence in Ontario, U.S. firms may find it easier to market their products throughout the British Commonwealth. In most instances the products will qualify for the Commonwealth trade preference.



Under a licencing agreement from a U.S. firm, a Brantford organization builds railway maintenance equipment for domestic and export markets.

SUCCESS STORIES



Here are a few of the many successful manufacturing arrangements between Ontario companies and industries from other countries, taken from the files of the Manufacturing Arrangements Division:

■ A prominent United States firm has, through the Manufacturing Opportunities Bulletin service, completed a licensing arrangement with a Western Ontario firm to manufacture and market in Canada their well-known line of mechanized track maintenance equipment. Both principals agree that this arrangement is a very satisfactory business venture.

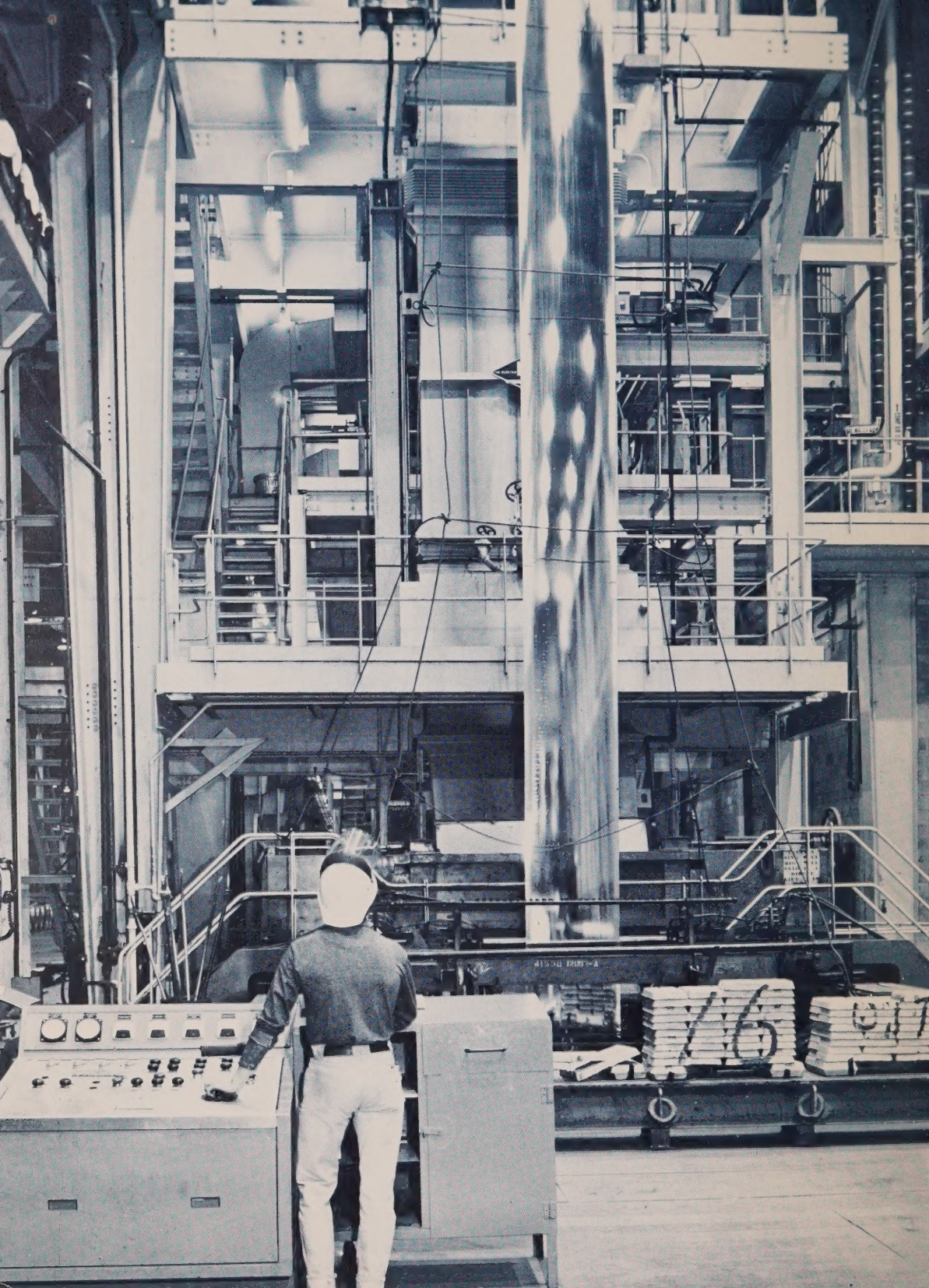
■ A large Ontario packaging firm made a contact from information listed in the Manufacturing Opportunities Bulletin of the Trade and Industry Branch and now states: "We are now manufacturing Bin Bags and have made a number of significant sales. This product fits our manufacturing and merchandising capabilities very well".

■ A Western Ontario Manufacturer of heating systems has been successful in making an agreement with a U.S. manufacturer of a new type of small water tube, high pressure boiler. This product has gained acceptance on the Canadian market and assisted in increasing production and sales for this firm.

■ An Eastern Ontario manufacturer has been successful in completing a Manufacturing Agreement with a New York firm to manufacture their line of large centrifugal pumps. Initial orders have been completed and both firms are well satisfied with this new association.

■ An Ontario Industry which has been manufacturing heating equipment for an American company for several years reports that its volume increased 80% in 1963 over the previous year, and last year by a further 52%. This arrangement last year required about 40 additional employees.

This liaison service between non-Canadian and Ontario manufacturers is provided free of charge and without obligation. To take advantage of it, the manufacturer outside Canada is invited to write the nearest Trade and Industry Branch office. All inquiries are treated in the strictest confidence.



Non-Canadian companies can profitably develop the rich and growing Canadian market without making a substantial capital outlay. For manufacturing their products for the Canadian market they can use the modern establishments of Ontario firms which are already engaged in all phases of primary and secondary production. Ontario companies would welcome the opportunity of adding to their production and are prepared to enter into a manufacturing arrangement on a royalty, license or partnership basis. For introduction to these Ontario companies, manufacturers from other countries are requested to communicate with any offices of the Trade and Industry Branch, outside Canada or at Toronto.



DEPARTMENT OF ECONOMICS AND DEVELOPMENT

Honourable Stanley J. Randall, Minister

Stuart W. Clarkson, Deputy Minister

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